WEEKLY ECONOMIC DIGEST
JOINT ECONOMIC COMMITTEE UNITED STATES CONGRESS
SENATOR ROBERT P. CASEY, JR., CHAIRMAN

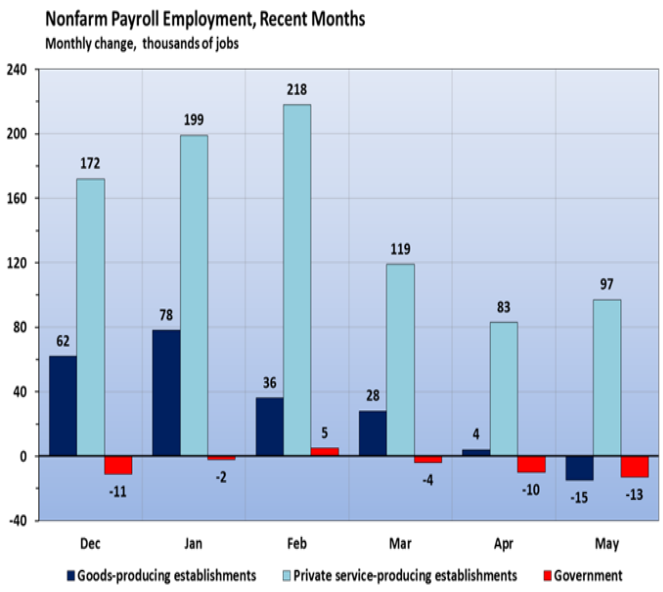
**June 5, 2012**

# May Employment Report

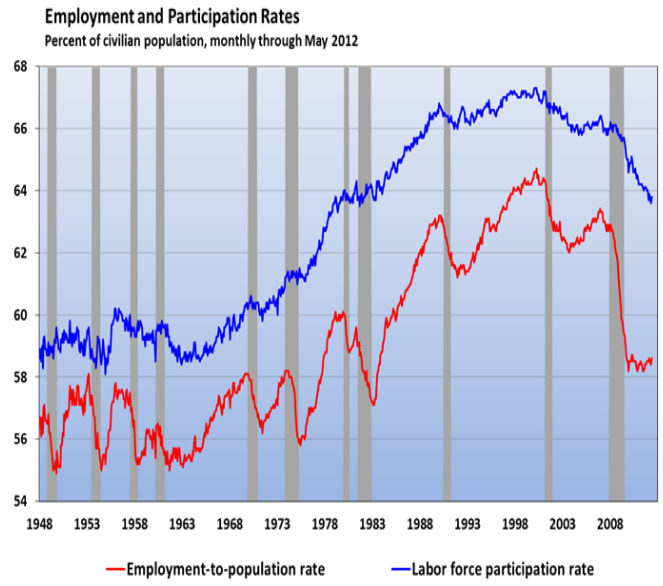
- Payroll employment inched up in May. Total nonfarm employment rose by 69,000 jobs last month following (revised) gains of 77,000 jobs in April and 143,000 jobs in March, according to the Labor Department's survey of establishment payrolls. Analysts had expected payrolls to have grown by 150,000 jobs in May. Private nonfarm payrolls increased by 82,000 jobs last month, following gains of 87,000 jobs in April and 147,000 jobs in March. Payrolls in private goods-producing establishments decreased by 15,000 jobs in May while payrolls in private service-providing establishments increased by 97,000 jobs (see top chart). Public payrolls declined by 13,000 jobs last month.

- Average weekly earnings declined last month. The average workweek for private nonfarm workers shortened to 34.4 hours in May. The average hourly earnings of private nonfarm workers increased 0.1 percent to $23.41 per hour. On balance, average weekly earnings declined by 0.2 percent last month.

- The unemployment rate edged up in May. Unemployment averaged 8.2 percent of the civilian labor force last month, up about 0.1 percentage point from April, according to estimates from the Labor Department's survey of households. The fraction of the population with a job increased 0.2 percentage point to 58.6 percent in May (see bottom chart). However, the effects of that rise in the employment rate in lowering the unemployment rate were more than offset by a 0.2 percentage rise in labor force participation (that is, the fraction of the population that is either working or actively seeking work) which increased to 63.8 percent in May.




Source: Bureau of Labor Statistics, U.S. Department of Labor.




Source: Bureau of Labor Statistics, U.S. Department of Labor.

Note: Shaded areas mark periods of recession as determined by the National Bureau of Economic Research.

# THE WEEK AHEAD

| DAY | SELECTED UPCOMING DATA RELEASES |
|---|---|
| Tuesday, Jun. 5 | Institute for Supply Management, Nonmanufacturing Survey (May) |
| Wednesday, Jun. 6 | Productivity and Costs (Q1, revised) |
| Thursday, Jun. 7 | JEC Hearing, "The Economic Outlook," Federal Reserve Chairman Ben Bernanke (10am, Dirksen G-50)<br>Consumer Credit (April) |
| Friday, Jun. 8 | U.S. International Trade in Goods and Services (April)<br>Monthly Wholesale Trade: Sales and Inventories (April) |

# THE ECONOMY AT A GLANCE

| | MONTH | | | QUARTER | | | YEAR | |
|---|---|---|---|---|---|---|---|---|
| KEY INDICATORS | May | Apr. | Mar. | 2012Q1 | 2011Q4 | 2011Q3 | 2011 | 2010 |
| Economic Activity | | | | | | | | |
| Real gross domestic product | — | — | — | 1.9 | 3.0 | 1.8 | 1.7 | 3.0 |
| Manufacturing production | n.a. | 0.6 | -0.5 | 9.8 | 5.6 | 5.1 | 4.3 | 5.7 |
| Factory utilization rate (percent of capacity) | n.a. | 77.9 | 77.6 | 77.7 | 76.1 | 75.2 | 75.0 | 71.2 |
| Civilian unemployment rate (percent of labor force) | 8.2 | 8.1 | 8.2 | 8.2 | 8.7 | 9.1 | 8.9 | 9.6 |
| Housing starts (thousands of units, annual rates) | n.a. | 717 | 699 | 712 | 678 | 614 | 612 | 586 |
| Light vehicle sales, domestic (millions of units, annual rates) | 10.738 | 11.113 | 11.088 | 11.223 | 10.433 | 9.719 | 9.824 | 8.808 |
| Retail & food service sales | n.a. | 0.1 | 0.7 | 7.2 | 8.8 | 5.2 | 7.9 | 5.5 |
| Real disposable personal income | n.a. | 0.2 | 0.2 | 0.4 | 0.2 | 0.7 | 1.2 | 1.8 |
| Personal saving rate (percent of disposable income) | n.a. | 3.4 | 3.5 | 3.6 | 4.2 | 4.6 | 4.6 | 5.3 |
| | | | | | | | | |
| Inflation & Productivity | | | | | | | | |
| CPI-U inflation | n.a. | 0 | 0.3 | 2.5 | 1.3 | 3.1 | 3.1 | 1.6 |
| Core CPI-U inflation | n.a. | 0.2 | 0.2 | 2.1 | 1.9 | 2.5 | 1.7 | 1.0 |
| Output per hour, nonfarm bus. | — | — | — | -0.5 | 1.2 | 1.8 | 0.4 | 4.0 |
| Unit labor costs, nonfarm bus. | — | — | — | 2.0 | 2.7 | 3.9 | 2.0 | -2.0 |
| Employment Cost Index | — | — | — | 1.7 | 2.1 | 1.4 | 2.0 | 1.9 |

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of the Census, U.S. Department of Commerce; and Bureau of Labor Statistics, U.S. Department of Labor.

Notes: Except where otherwise noted, values in the table represent simple percent changes for monthly data and percent changes at annual rates for quarterly data. Core CPI-U inflation is the percentage change in the CPI-U excluding food and energy prices as reported by the Bureau of Labor Statistics. The Employment Cost Index covers all civilian workers and the quarterly change is measured from the last month of the previous quarter to the last month of the indicated quarter. 'n.a.' denotes that data are not yet available. '—' denotes that data are not available monthly.